

Message Text

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51

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 INT-05 CIAE-00 INR-05 NSAE-00

RSC-01 /029 W

----- 023668

R 241400Z DEC 74

FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 5850

INFO USDOC WASHDC

LIMITED OFFICIAL USE SAO PAULO 2813

E.O. 11652: N/A

TAGS: EMIN, ENGR, ETRD, BR

SUBJECT: COAL SHORTAGE AND BRAZILIAN STEEL PRODUCTION

REF: STATE 186068

1. COMPANHIA SIDERURGICA PAULISTA COSIPA, THE ONLY STEEL MILL IN SAO PAULO, IS CONCERNED AT THE LIMITED QUANTITIES OF COAL IT HAS OBTAINED FROM US SUPPLIERS THIS YEAR, WHICH ARE FAR LESS THAN VOLUME CONTRACTED FOR. MARIO LOPES LEAO, COSIPA'S DIRECTOR PRESIDENT GAVE CONGEN FOLLOWING FIGURES:

2. CONTRACTS SIGNED BY COSIPA WITH A. T. MASSEY AND ISLAND CREEK CALLED FOR DELIVERY IN 1974 OF 280,000 METRIC TONS OF LOW VOLATILE COAL AND 147,000 METRIC TONS HIGH VOLATILE COAL. AS OF DECEMBER 19, 1974 COSIPA HAD RECEIVED ONLY 126,900 METRIC TONS OF LOW VOLATILE AND 72,900 METRIC TONS OF HIGH VOLATILE.

3. COSIPA CONTRACTED PURCHASE ON SPOT MARKET OF 140,000 METRIC TONS OF HIGH VOLATILE COAL OF WHICH IT HAS RECEIVED 67,000 METRIC TONS ONLY. ALREADY DELIVERED SPOT PURCHASES OF LOW VOLATILE ARE 13,000 METRIC TONS.

4. LEAO CLAIMS COSIPA'S STOCKS OF LOW VOLATILE COAL HAVE NEVER BEEN SO LOW. HE SAID HE WAS VERY UNHAPPY WITH HIS US SUPPLIERS WHO HAVE GIVEN LITTLE ATTENTION TO NUMEROUS COSIPA REQUESTS FOR LARGER SHIP-
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MENTS OF LOW VOLATILE COAL. DESPITE LOW STOCKS, HOWEVER, LEAO DOES

NOT THINK DISRUPTION OF COSIPA'S STEEL MAKING CAPABILITY IS IMMINENT
ALTHOUGH SITUATION IS "DISTRESSING".

5. ABOVE TEXT CLEARED WITH BRASILIA.
HEFLIN

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: COAL, STEEL, PRODUCTION, TRADE COMPLAINTS, EXPORT DATA
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Draft Date: 24 DEC 1974
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Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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